

FISCAL NOTE

HB 431 – SB 876

March 7, 2007

SUMMARY OF BILL: Sets maximum limits for annual return-on-equity (ROE) and annual rate-of-return (ROR) for gas utility companies to 10%. Requires the Tennessee Regulatory Agency (TRA) to annually adjust the maximum allowable ROE and ROR through rulemaking taking into account current market conditions.

ESTIMATED FISCAL IMPACT:

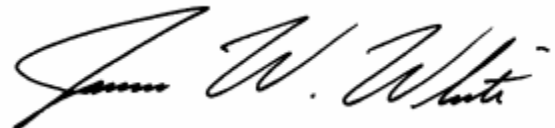
Increase State Expenditures – Not Significant – One-Time
Not Significant - Recurring

Assumption:

- TRA will incur one-time expenditures related to the rulemaking provisions of this bill. This one-time increase to state expenditures is estimated as not significant.
- TRA will incur additional recurring expenditures related to future adjustments of the maximum limits imposed upon gas utility companies. This increase to recurring state expenditures is estimated as not significant.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White".

James W. White, Executive Director